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Senate Health, Human Services & Medicaid Committee
Proponent Testimony – H.B. 405
September Coyne, Deputy Director of Legislative Affairs

Chairman Burke, Vice-Chair Huffman, Ranking Member Antonio, and members of the Senate Health, Human Services & Medicaid Committee, thank you for allowing me to testify today on House Bill 405.

I come before you today to advocate on behalf of Ohio's families and the thousands of people across our state who dream of building a loving family.

Currently in Ohio, prospective parents navigating the private adoption process can face costs ranging from \$10,000 to over \$50,000. In light of these skyrocketing costs, the Treasurer's office believes it's well-positioned to help alleviate some of the financial stress families may face during the adoption process. House Bill 405 would help us do just that by establishing "Family Forward," a new linked-deposit loan program to be housed in the Treasurer's office.

The Treasurer's office already operates several linked deposit programs that provide reduced interest rate loans to qualified farmers, small businesses, and homeowners. Up to 12% percent of the state's investment portfolio may be invested in linked deposit programs and there is exiting capacity to make more of these investments.

Under the linked deposit model, the Treasurer's office funds interest-rate reductions by placing an investment at an eligible financial institution that issues qualifying loans. Our office agrees to take a lower-than-market interest rate on the investment and, in return, the financial institution issuing the loan passes the savings along in the form of an interest rate reduction.

House Bill 405 is intended to assist families with the upfront costs related to the adoption process until they realize the benefit of the state and federal tax credit. Under the legislation, prospective parents will work with an eligible lending institution to apply for a loan through the new program. Once the loan is approved, the Treasurer's office deposits funds with the lending institution at a reduced interest rate. The lending institution then passes the interest savings on to the borrowers via a reduced interest rate.

The loan would operate as a line of credit for five years with an option to extend for another five. The expenses that the loan could be used for mirror those of the existing adoption tax credit. Examples of eligible expenses include adoption agency costs, court and legal fees, health examination fees, and home studies.

The proposal has garnered support of several advocate groups including the Adoption Network of Cleveland, Choosing Hope Adoptions, Ohio Right to Life, and the Ohio Children's Alliance.

As families and advocates know all too well, the journey toward adoption can often be complicated by mounting and undue financial burden. But, we think this bill can help. By chipping away at the financial

barriers that often inhibit the adoption process, the Treasurer's office can help families take shape and assist in welcoming children into loving homes.

I would like to thank Senator Burke and Representative Cross for introducing this important legislation. Thank you again for allowing me to testify today. I would be happy to answer any questions at this time.